

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

P.O. Box 13528 • AUSTIN, TX 78711-3528



December 17, 2015

John Benham
Superintendent
Marathon Independent School District
P.O. Box 416
Marathon, Texas 79842-0416

Dear Superintendent Benham:

On November 19, 2015, the Comptroller issued written notice that River Rock Solar, LLC (the applicant) submitted a completed application (Application #1087) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on July 22, 2015, to the Marathon Independent School District (the school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

- | | |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sec. 313.024(a) | Applicant is subject to tax imposed by Chapter 171. |
| Sec. 313.024(b) | Applicant is proposing to use the property for an eligible project. |
| Sec. 313.024(d) | Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located. |
| Sec. 313.024(d-2) | Not applicable to Application #1094. |

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

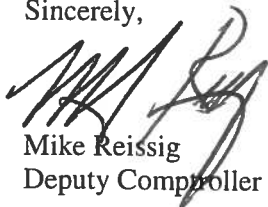
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of November 19, 2015, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Korry Castillo, director of Data Analysis and Transparency, by email at Korry.Castillo@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller's economic impact analysis of River Rock Solar, LLC (the project) applying Marathon Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of River Rock Solar, LLC.

Applicant	River Rock Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy
School District	Marathon ISD
2013-14 Enrollment in School District	40
County	Brewster
Proposed Total Investment in District	\$75,000,000
Proposed Qualified Investment	\$75,000,000
Limitation Amount	\$10,000,000
Number of new qualifying jobs committed to by applicant	1
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$807.62
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$784.03
Minimum annual wage committed to by applicant for qualified jobs	\$42,000
Minimum weekly wage required for non-qualifying jobs	
Minimum annual wage required for non-qualifying jobs	
Investment per Qualifying Job	\$75,000,000
Estimated M&O levy without any limit (15 years)	\$5,462,839
Estimated M&O levy with Limitation (15 years)	\$2,006,026
Estimated gross M&O tax benefit (15 years)	\$3,456,813
<i>* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).</i>	

Table 2 is the estimated statewide economic impact of River Rock Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	200	196	396	\$7,506,800	\$17,317,139	\$24,823,939
2017	1	25	26	\$42,000	\$3,331,407	\$3,373,407
2018	1	14	15	\$42,000	\$2,385,772	\$2,427,772
2019	1	5	6	\$42,000	\$1,559,314	\$1,601,314
2020	1	0	1	\$42,000	\$994,886	\$1,036,886
2021	1	(2)	-1	\$42,000	\$629,276	\$671,276
2022	1	(3)	-2	\$42,000	\$408,773	\$450,773
2023	1	(3)	-2	\$42,000	\$269,247	\$311,247
2024	1	(2)	-1	\$42,000	\$198,242	\$240,242
2025	1	(2)	-1	\$42,000	\$192,574	\$234,574
2026	1	(1)	0	\$42,000	\$216,229	\$258,229
2027	1	(0)	1	\$42,000	\$235,870	\$277,870
2028	1	1	2	\$42,000	\$277,332	\$319,332
2029	1	1	2	\$42,000	\$323,600	\$365,600
2030	1	2	3	\$42,000	\$367,887	\$409,887
2031	1	2	3	\$42,000	\$410,460	\$452,460

Source: CPA, REMI, River Rock Solar, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives									
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Marathon ISD I&S Levy	Marathon ISD M&O Levy	Marathon ISD M&O and I&S Tax Levies	Brewster County	Big Bend Hospital	Estimated Total Property Taxes
			Tax Rate ¹	0.0000	1.1463		0.3727	0.1215	
2017	\$75,000,000	\$75,000,000		\$0	\$859,725	\$859,725	\$279,525	\$91,125	\$1,230,375
2018	\$63,750,000	\$63,750,000		\$0	\$730,766	\$730,766	\$237,596	\$77,456	\$1,045,819
2019	\$54,187,500	\$54,187,500		\$0	\$621,151	\$621,151	\$201,957	\$65,838	\$888,946
2020	\$46,059,375	\$46,059,375		\$0	\$527,979	\$527,979	\$171,663	\$55,962	\$755,604
2021	\$39,150,469	\$39,150,469		\$0	\$448,782	\$448,782	\$145,914	\$47,568	\$642,263
2022	\$33,277,898	\$33,277,898		\$0	\$381,465	\$381,465	\$124,027	\$40,433	\$545,924
2023	\$28,286,214	\$28,286,214		\$0	\$324,245	\$324,245	\$105,423	\$34,368	\$464,035
2024	\$24,043,282	\$24,043,282		\$0	\$275,608	\$275,608	\$89,609	\$29,213	\$394,430
2025	\$20,436,789	\$20,436,789		\$0	\$234,267	\$234,267	\$76,168	\$24,831	\$335,266
2026	\$17,371,271	\$17,371,271		\$0	\$199,127	\$199,127	\$64,743	\$21,106	\$284,976
2027	\$15,000,000	\$15,000,000		\$0	\$171,945	\$171,945	\$55,905	\$18,225	\$246,075
2028	\$15,000,000	\$15,000,000		\$0	\$171,945	\$171,945	\$55,905	\$18,225	\$246,075
2029	\$15,000,000	\$15,000,000		\$0	\$171,945	\$171,945	\$55,905	\$18,225	\$246,075
2030	\$15,000,000	\$15,000,000		\$0	\$171,945	\$171,945	\$55,905	\$18,225	\$246,075
2031	\$15,000,000	\$15,000,000		\$0	\$171,945	\$171,945	\$55,905	\$18,225	\$246,075
			Total	\$0	\$5,462,839	\$5,462,839	\$1,776,150	\$579,024	\$7,818,013

Source: CPA, River Rock Solar, LLC

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Brewster County and the Big Bend Hospital District, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county, and hospital district.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	0	Marathon ISD I&S Levy	Marathon ISD M&O Levy	Marathon ISD M&O and I&S Tax Levies	Brewster County	Big Bend Hospital	Estimated Total Property Taxes
			Tax Rate ¹	0.0000	1.1463		0.3727	0.1215	
2017	\$75,000,000	\$10,000,000		\$0	\$114,630	\$114,630	\$136,208	\$44,403	\$295,240
2018	\$63,750,000	\$10,000,000		\$0	\$114,630	\$114,630	\$115,776	\$37,742	\$268,149
2019	\$54,187,500	\$10,000,000		\$0	\$114,630	\$114,630	\$98,410	\$32,081	\$245,121
2020	\$46,059,375	\$10,000,000		\$0	\$114,630	\$114,630	\$83,648	\$27,269	\$225,547
2021	\$39,150,469	\$10,000,000		\$0	\$114,630	\$114,630	\$71,101	\$23,179	\$208,910
2022	\$33,277,898	\$10,000,000		\$0	\$114,630	\$114,630	\$60,436	\$19,702	\$194,768
2023	\$28,286,214	\$10,000,000		\$0	\$114,630	\$114,630	\$51,371	\$16,747	\$182,747
2024	\$24,043,282	\$10,000,000		\$0	\$114,630	\$114,630	\$43,665	\$14,235	\$172,530
2025	\$20,436,789	\$10,000,000		\$0	\$114,630	\$114,630	\$37,115	\$12,099	\$163,845
2026	\$17,371,271	\$10,000,000		\$0	\$114,630	\$114,630	\$31,548	\$10,284	\$156,462
2027	\$15,000,000	\$15,000,000		\$0	\$171,945	\$171,945	\$55,905	\$18,225	\$246,075
2028	\$15,000,000	\$15,000,000		\$0	\$171,945	\$171,945	\$55,905	\$18,225	\$246,075
2029	\$15,000,000	\$15,000,000		\$0	\$171,945	\$171,945	\$55,905	\$18,225	\$246,075
2030	\$15,000,000	\$15,000,000		\$0	\$171,945	\$171,945	\$55,905	\$18,225	\$246,075
2031	\$15,000,000	\$15,000,000		\$0	\$171,945	\$171,945	\$55,905	\$18,225	\$246,075
			Total	\$0	\$ 2,006,026	\$ 2,006,025	\$ 1,008,803	\$ 328,866	\$ 3,343,694
			Difference	\$ -	\$ 3,456,813	\$ 3,456,814	\$ 767,346	\$ 250,158	\$ 4,474,319

Assumes School Value Limitation and Tax Abatement with the County and Hospital District.

Source: CPA, River Rock Solar, LLC

¹Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue over 25 Years

This represents the Comptroller's determination that River Rock Solar, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$114,630	\$114,630	\$745,095	\$745,095
	2018	\$114,630	\$229,260	\$616,136	\$1,361,231
	2019	\$114,630	\$343,890	\$506,521	\$1,867,753
	2020	\$114,630	\$458,520	\$413,349	\$2,281,101
	2021	\$114,630	\$573,150	\$334,152	\$2,615,253
	2022	\$114,630	\$687,780	\$266,835	\$2,882,088
	2023	\$114,630	\$802,410	\$209,615	\$3,091,702
	2024	\$114,630	\$917,040	\$160,978	\$3,252,681
	2025	\$114,630	\$1,031,670	\$119,637	\$3,372,317
	2026	\$114,630	\$1,146,300	\$84,497	\$3,456,814
Maintain Viable Presence (5 Years)	2027	\$171,945	\$1,318,245	\$0	\$3,456,814
	2028	\$171,945	\$1,490,190	\$0	\$3,456,814
	2029	\$171,945	\$1,662,135	\$0	\$3,456,814
	2030	\$171,945	\$1,834,080	\$0	\$3,456,814
	2031	\$171,945	\$2,006,025	\$0	\$3,456,814
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$171,945	\$2,177,970	\$0	\$3,456,814
	2033	\$171,945	\$2,349,915	\$0	\$3,456,814
	2034	\$171,945	\$2,521,860	\$0	\$3,456,814
	2035	\$171,945	\$2,693,805	\$0	\$3,456,814
	2036	\$171,945	\$2,865,750	\$0	\$3,456,814
	2037	\$171,945	\$3,037,695	\$0	\$3,456,814
	2038	\$171,945	\$3,209,640	\$0	\$3,456,814
	2039	\$171,945	\$3,381,585	\$0	\$3,456,814
	2040	\$171,945	\$3,553,530	\$0	\$3,456,814
	2041	\$171,945	\$3,725,475	\$0	\$3,456,814

\$3,725,475

is greater than

\$3,456,814

Analysis Summary

Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, River Rock Solar, LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has **determined** that the limitation on appraised value is a determining factor in the River Rock Solar, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- According to the company, Brewster County Commissioners Court and numerous media reports, the applicant entered into a tax abatement agreement in October 2015.
- The applicant submitted documents clearly indicating development plans of the project to fall within a clearly designated Reinvestment Zone.
- Per the applicant:
 - “...without the available tax incentives,... and the likelihood of constructing the project becomes unlikely.”
 - “...without the tax incentive, the applicant would be forced abandon the project and spend its development capital and prospective investment funds in other states where the rate of return is higher on a project basis.”
- According to GoogleMaps (incl. street level photos) there is no personal property on the site.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☐ Yes ☒ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☒ Yes ☐ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

☒ Land has no existing improvements
☐ Expansion of existing operation on the land (*complete Section 13*)

☐ Land has existing improvements (*complete Section 13*)
☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☐ Yes ☒ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Supporting Information

**Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value**

TAB 5

Documentation to assist in determining if limitation is a determining factor

The applicant's parent company for this project is an international solar developer with the ability to locate projects of this type in other counties and states in the US with strong solar characteristics. The applicant is actively developing other projects throughout the US. The applicant requires this appraised value limitation in order to move forward with constructing this project in Texas. Specifically, without the available tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project in Texas becomes unlikely.

Alternate sites being consider are confidential under Tex. Gov't Code 552.104; Applicant withdraws the request if the Application formally approved by the District

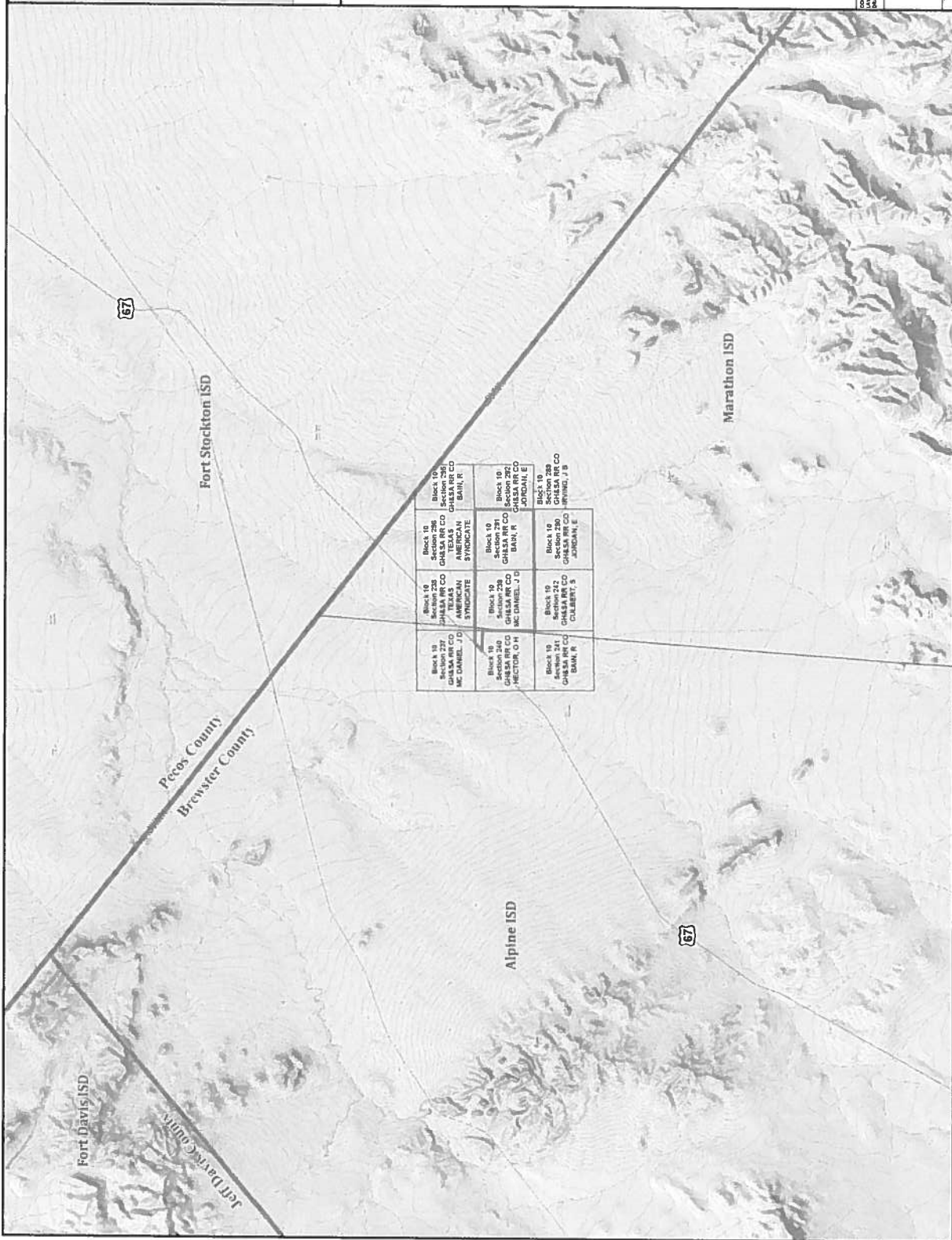
Property taxes can be the highest operating expense for a solar generation facility as solar plants do not have any associated fuel costs for the production of electricity, and with Texas wholesale electricity prices already below the international average in Texas, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates, including power sales under a bi-lateral contract. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

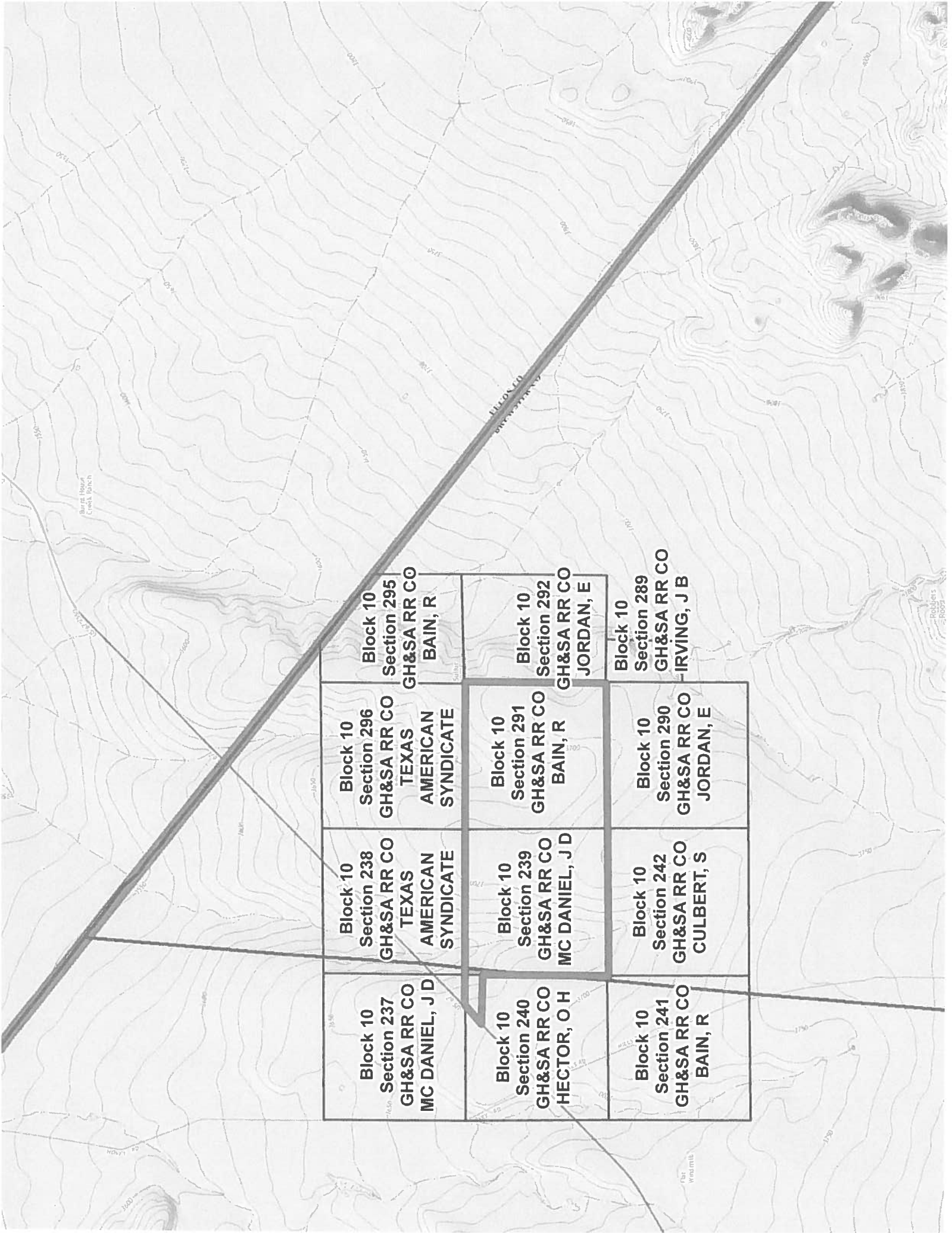
The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement. As such, the applicant is not able to finance and build its project in Texas even with a signed power purchase agreement because of the low price in the power purchase agreement. Without the tax incentive, the applicant would be forced to abandon the project and spend its development capital and prospective investment funds in other states where the rate of return is higher on a project basis.

This is true even if the entity is able to contract with an off-taker under a power purchase agreement because the low rate contracted for is not financeable without the tax incentives. More specifically, a signed power purchase agreement in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Other states have high electricity prices where a developer can obtain a PPA with a much higher contracted rate, combined with state subsidies, the other states offer a much higher rate of return for the project financiers. Without the tax incentives in Texas, a project with a power purchase agreement becomes non financeable.

Supporting Information

**Additional information
provided by the Applicant or
located by the Comptroller**





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Brewster County to get second solar plant

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Posted: Wednesday, July 15, 2015 7:33 pm

By Jim Street reporter@alpineavalanche.com | 0 comments

Brewster County Commissioners Monday accepted an application to create a "reinvestment zone" to allow for a 10-year tax abatement for a second solar power plant in the county.

The Court hired Greg Hudson of Hudson & O'Leary of Austin to represent the county on the issue, had a public hearing on the plan and then approved the application of River Rock Solar of Austin for the tax abatement.

Some members of the public had questions, but no one expressed opposition.

Hudson said the county already had adopted guidelines and procedures "about one year ago to the day" for Solaire Direct of Paris, France, to build one and perhaps two 50-megawatt plants along U.S. Highway 67 northeast of Alpine.

The new \$75 million project would be further north, east of Highway 67 almost to the Pecos County Line and in the Marathon school district. The Solaire project is in the Alpine ISD. Both would be within the Big Bend Regional Hospital District taxing area.

Marathon ISD Superintendent Ebby Loeffler said that she had not heard about the plan. She agreed to meet with the River Rock representatives right after the Commissioners Court meeting.

River Rock proposes to build a 50-megawatt photovoltaic plant on 1,300 acres it has an option to lease from Alvero Mandujan Jr.

Solaire plans a 50-megawatt plant with possible expansion to another 50-megawatts if the market will support it. Solaire spokesman Billy Owens said this week that their project has not yet found a buyer for the power, but it has not given up.

Hudson said the action this week was not for the tax abatement itself but just approving the application for it.

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He said the county rules say a project must be worth at least \$50 million and "not every business would qualify."

Attorney Clay Butler of Austin and River Rock Development Manager Jeff Sabins made the presentation for the company.

The proposed plant would provide enough electricity to power 12,500 homes. Sabins said the power would be sold to a utility company and go into the grid to be used all over Texas.

He said that a 69-kilovolt electric line is accessible to the property. Solaire plans to use another 69-kilovolt line on its project, but Sabins said other lines are available and that electric utilities have expressed interest in creating more infrastructure in the area.

Owens said if it moves to the 50-megawatt second phase, the company could need more capacity to move the energy to market.

Sabins said Brewster County is optimum for solar generation because of its topography. A plant in Alpine can generate more energy than a similar plant further east.

"We are sitting on a gold mine," County Judge Eleazar Cano said.

A proposal River Rock handed out at the meeting says construction should start in early 2016 with completion planned for the end of next year.

It is expected to create 175 to 225 jobs during the construction period and one to four permanent jobs after it is built.

Sabins said that after it is operational, the plant will also need occasional contractual services for activities like mowing and equipment repair.

The applicant said it would pay all costs the county incurs gearing up for the project, including Hudson's \$5,000 fee.

River Rock represents RES America, the U.S. subsidiary of RES Ltd., headquartered in the United Kingdom, which has solar plants in the U.S., Canada and Chile and has built more than 160 renewable energy projects with a total capacity of more than 9,000 megawatts around the world.

Hudson said the project would be a "good shot in the arm for the local tax base."

The abatement is for 10 years at 80 percent on improvements to the land, not the land itself. But the asset will continue to generate tax revenue for 25 or 30 years, Hudson said.

Commissioners also heard from new Emergency Management Coordinator Matt Van Ostrand, who said Terlingua Fire & EMS Chief Greg Henington will conduct a class for Marathon first responders, giving them medical training so that they can stabilize patients until an ambulance can arrive from Alpine.

He said that Marathon does not have an ambulance stationed there. Pecos County has offered one, but that would require all patients to go to Fort Stockton instead of Alpine.

Van Ostrand also said he would not recommend a county burn ban at this time but if the county does not get much rain in the next few weeks, he might recommend one later.




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County allows burn ban to expire

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Brewster County Courthouse

Posted Wednesday, October 28, 2015 4:58 pm

By Jim Street reporter@alpineavalanche.com | 0 comments

The Brewster County Commissioners allowed the burn ban to expire this week.

Emergency Management Coordinator Matt Van Ostrand said the 90-day ban was due to expire and, for the most part, rains have kept the county safe from fire danger.

He said the county had eight brush fires in the last 90 days but the conditions are pretty green now. He said Terlingua Fire and EMS Chief Greg Henington agreed that the ban should be lifted.

In a related issue, Commissioner Ruben Ortega said the Marathon Volunteer Fire Department and Brewster County Sheriff's Office contributed to the success of Saturday's Marathon M2M race, which drew more than 300 runners.

The fire department received a \$6,000 donation from the event, he said.

County Judge Eleazar Cano agreed to write a letter thanking both departments for their assistance.

Commissioners approved a tax abatement agreement with River Rock Solar LLC for a 50-megawatt solar plant to be built next year east of U.S. Highway 67 north of U.S. Highway 90 and almost to the Pecos County line.

In exchange for a 70 percent tax abatement for 10 years, River Rock agreed to pay a signing bonus of \$10,000 up front plus two \$50,000 payments during construction, which is expected to be completed by December 2016.

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Commissioner Hugh Garrett said that in addition to the \$110,000 in payments, the county stands to gain a total of \$1.2 million as a result of the taxes the plant will generate.

The tax abatement is on the improvements so taxes will be collected on the ground as well as 30 percent on the improvements for 10 years and 100 percent thereafter.

After a long discussion, commissioners agreed to extend the hours to sell and deliver mixed drinks in unincorporated areas of the county to 2 a.m. on any day.

Terlingua bar owners Don McDowell of Boathouse Bar and Buckner Cooke of Starlight Theater, both in Terlingua, said they would like to stay open until 2 a.m. on a few select nights during tourist season to gain the additional revenue.

They need the commissioner's approval so they can get their licenses amended by the Texas Alcoholic Beverage Commission to allow the later hours.

Cooke said on nights like New Year's Eve, with a midnight closing, "it's three, two, one, Happy New Year, get out."

Sheriff Ronny Dodson said he only has two deputies in South County. They work school traffic at 7 a.m. and don't get off duty until 12:30 a.m. If bars were open two more hours, they would not get off until 2:30 and need to be back at work at 7.

With two days off a week each, the county has only one deputy four nights a week, he said.

Keeping bars open until later also increases the numbers both of bar fights and drunk driving, putting more workload on the deputies.

"An extra deputy would help," Dodson said. "I've been asking for that for years."

Cano said the court should try to determine how it can provide another deputy.

People in South County tend to be free spirits, he said.

"It's not anything goes, but it is a lot of things go," he said.

County Attorney Steve Houston said the court could always rescind an action later and Ortega moved the change be approved "with the stipulation that if there are too many reports and too many fights, we can rescind the order."

Another long discussion surrounded replacing the county's Hill Country software program.

After county department heads met Monday with bidders, Cano said a consensus was the proposal by Net Data of Sulphur Springs was the best choice among the three proposals.

He said the Net Data programs could be implemented over time with the county deciding at each point whether to go ahead with the next segment.

Cano said he wants to see the company's \$10,000 financial program implemented as soon as possible. He said Auditor Treva Watson needs the program to help put the county's financial house in order.

Watson said she was familiar with the program and found it "very user friendly. It can report on anything."

District Clerk Jo Ann Salgado agreed.

"It works for me," she said. "It's easy on the eye."

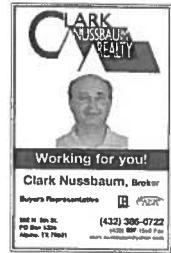
County employees wanted a case management program with an e-filing system where records could be filed and transferred digitally, eliminating paper work.

County Clerk Berta Rios-Martinez said the state mandates the program by April but Net Data's program called for its implementation in June.

Armando Balderrama of Docket.com of Amarillo said the e-filing is already in place at the state level so her deadline is no longer a concern.

"You've already got it," he said.

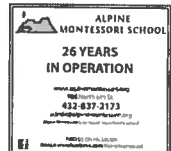
Cano said Net Data will not bill the county until each system is installed and the county is happy with it.



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Solar tax abatement agreed in principal

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Brewster County Courthouse

Posted Wednesday, October 14, 2015 7:41 pm

By Jim Street reporter@alpineavalanche.com | 0 comments

Brewster County Commissioners, after a closed-door executive session of more than three hours Tuesday, agreed in principal to terms for a 10-year property tax abatement on a proposed solar plant.

Attorney Greg Hudson of Hudson & O'Leary of Austin, representing the county, and Jeff Sabins, also of Austin, representing River Rock Solar Inc. met alternately with the full commissioners court and with County Judge Eleazar Cano and Commissioner Hugh Garrett to hammer out terms of the agreement.

Sabins is development manager for Renewable Energy Systems Americas Inc.

Hudson told the court after the closed-door meetings that under Texas Code 312 dealing with tax abatements, the court could not officially approve the agreement at Tuesday's meeting.

The court is required to notify the Marathon Independent School District and Big Bend Regional Hospital District of the proposal within seven days. The plant would be in those taxing districts as well as the county.

Commissioners can formally approve terms of the agreement at the Oct. 27 meeting.

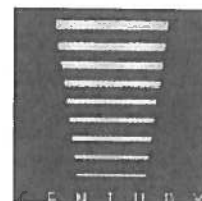
The basic agreement had been approved earlier and, after a public hearing in July, the court created the reinvestment zone spelling out the specific land subject to the tax abatement.

The land for the proposed solar plant is east of U.S. Highway 67 north of U.S.

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Highway 90 and almost to the Pecos County line.

It also is north of the proposed Solaire plant, which has cleared all of its agreements and construction of the first of two 50-megawatt plants is scheduled

to begin next year.

The proposed new agreement is for a 70 percent tax abatement for 10 years for the project on 1,300 acres River Road would lease from Alvero Mandujan Jr.

As an inducement for the county to sign, River Rock agrees to pay the county \$50,000 per year for two years during construction plus \$10,000 on final execution of the agreement.

A third plant proposed by Hecate Energy of Nashville, Tennessee, is not as far along.

"Nothing is done until it is done," Hudson said.

The court authorized him to draft an agreement to be presented for approval Oct. 27.

Earlier, the court approved Mass Gathering Permits for the 49th Annual CASI and Original Terlingua International Championship Chili Cookoffs on Nov. 7.

"From an emergency standpoint, I don't see any issues," Emergency Management Coordinator Matt Van Ostrand said.

Sheriff Ronny Dodson said when he first became sheriff, "it was a disaster."

He said fatalities were frequent as all-terrain vehicles sped over unimproved roads and authorities arrested some 200 people a year.

Dodson said he began enforcing a 5-mile-per-hour speed limit for ATVs, washed out roads have been roped off and arrests have dropped to as low as 2 in recent years.

"We have a steady crowd and they know the rules," he said.

At the same time, every motel room is booked during the event and stores and gas stations are full of customers.

CASI Treasurer Jim Stateczny said no recent estimates have been made on the economic impact but in 1994-95, it was estimated at \$5 million.

"It's big," Tourism Council President Ron Sanders said. "We don't want to do anything to get rid of the Chili Cookoff."

In a related development, commissioners approved a formal agreement with the cookoff staff to allow Road and Bridge Supervisor Frenchie Causey to blade roads for the event in exchange for materials organizers donate to the county.

The court had earlier determined that if the property owner compensated the county and the work provided a public benefit, it was legal.

Commissioner Garrett said the county work was estimated at \$2,740 and the 500 cubic yards of materials donated to the county was estimated at \$25 per ton.

The court also agreed to allow Dodson to put \$6,800 from the sheriff sale of vehicles acquired through grants into his impound account.

The vehicles were acquired by grant money but had been held for more than five years so the sale of the vehicles could accrue to the county.

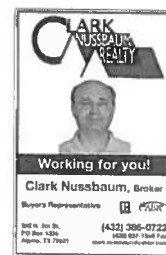
New County Auditor Treva Watson said she hopes to have all the required materials delivered to outside auditor, Gibson Ruddock Patterson LLC of El Paso, as early as this week and the final report should be "on the table" by Nov. 30.

The final report is late. Watson said some reports had not been delivered to the firm when requested. Some reports had been lost and had to be re-created.

Watson said she could not say what the penalty will be for contributing to the late report.

"There are several possibilities," she said, "all of them negative."

Watson said several of the issues at the county were from 2014.



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"This was not a case of neglect on anyone's part," she said.

Watson also was approved as a signer for county checks.

Commissioners had gotten behind in approval of monthly reports of income from various departments that had become delayed.

Cano had asked for a flow chart to track the reports and County Clerk Berta Rios-Martinez Tuesday provided a flow chart and reports from February.

Commissioners read each one into the record and then approved the reports from February through September.

Justice of the Peace Jim Burr of Terlingua told commissioners some problems remain with payments to the law firm of McCreary, Veselka, Bragg & Allen, P.C., of Round Rock, the firm hired to collect delinquent property taxes.

Burr said the county had double paid at one point, MVBA had send a check back to the county and confusion then arose over what invoices had been sent and for what periods of time.

Treasurer Ruth Staton, who has come under fire from commissioners over problems in her office, said she is working to correct the problem and that it may have been a software problem.

Commissioners have asked for proposals from software providers.

The court agreed to waive payments in lieu of taxes for this year from the Alpine Housing Authority.

Cano asked if commissioners wanted to pass a resolution permanently waiving the PILT but commissioners declined.

"Their board wouldn't object to their coming in" for annual reports, Commissioner Ruben Ortega said.

And Commissioners approved polling places for the November 3 election on seven proposed Texas Constitutional amendments, a notice of election and an amended list of election judges and alternates.

Early voting judges and alternates include Elidia Polanco, Carol Lewis, Bonnie Villanueva and Jesus Rodriguez.

Elections coordinator Jeri Street said that she had not confirmed all election-day judges and that she would release those names later.

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Posted in **News** on Wednesday, October 14, 2015 7:41 pm

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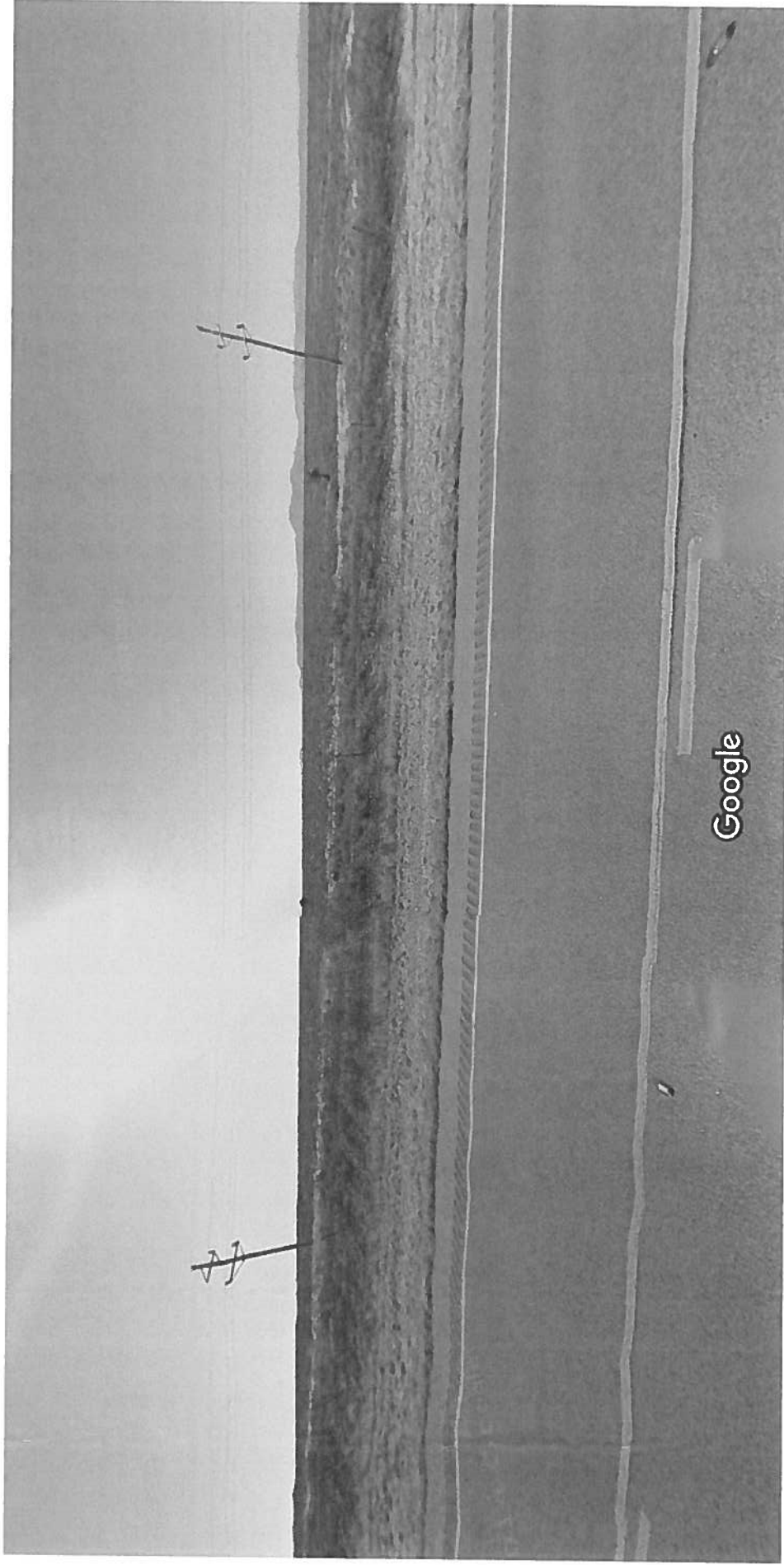


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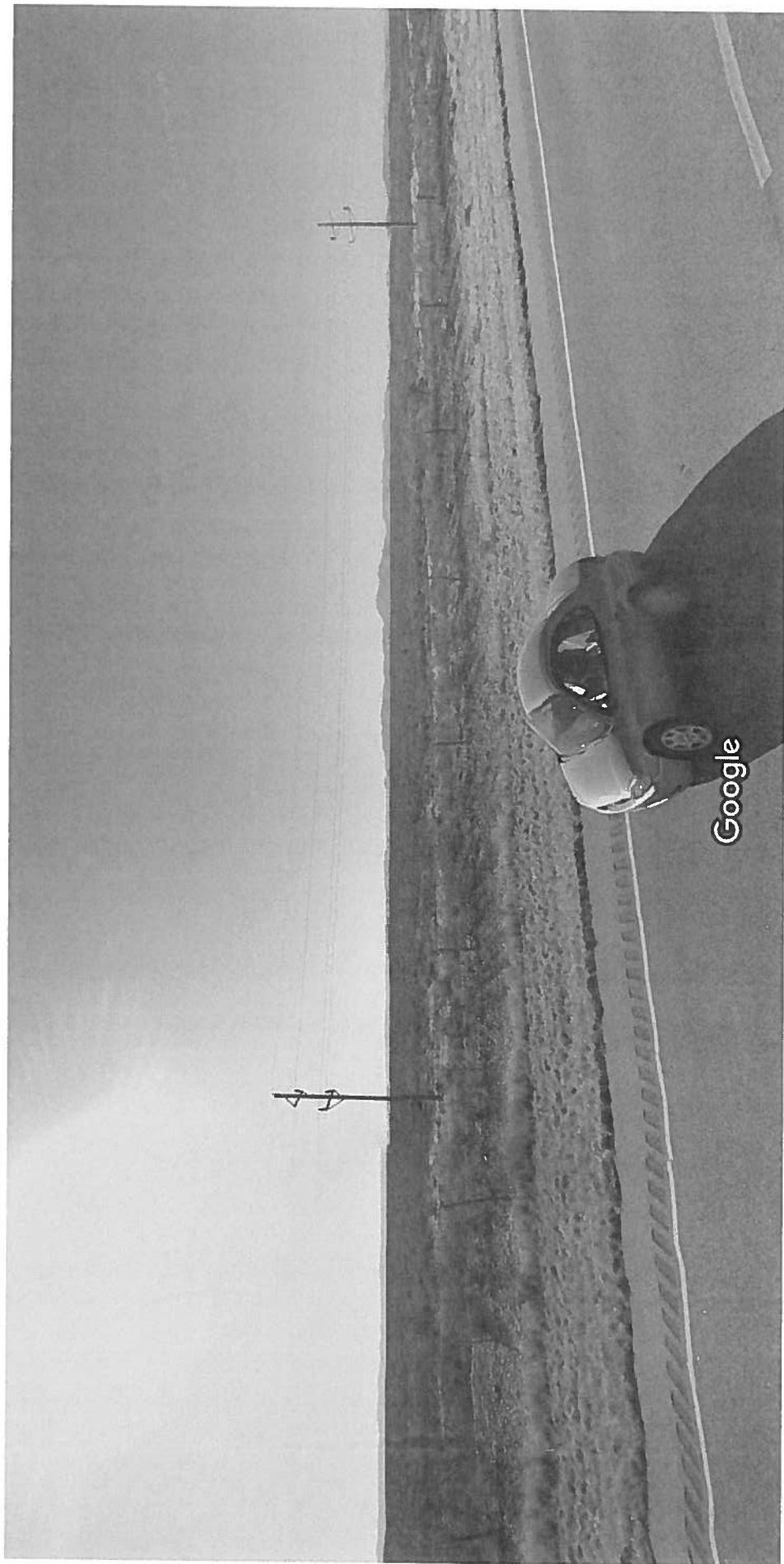


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